

**MINUTES OF THE  
JOINT CAPITAL FACILITIES & GOVERNMENT OPERATIONS  
APPROPRIATIONS SUBCOMMITTEE MEETING  
WEDNESDAY, JANUARY 24, 2007, 2:00 P.M.  
RoomW025, West Office Building, State Capitol Complex**

Members Present: Sen. Scott K. Jenkins, Committee Co-Chair  
Rep. D. Gregg Buxton, Committee Co-Chair  
Sen. Mike Dmitrich  
Sen. Darin Peterson  
Rep. DeMar “Bud” Bowman  
Rep. Stephen Clark  
Rep. Janice M. Fisher  
Rep. Fred R. Hunsaker  
Rep. Gordon Snow  
Rep. Mark Walker  
Rep. Richard Wheeler

Members Excused: Sen. Sheldon Killpack  
Rep. Ralph Becker

Staff Present: Steve Allred, Fiscal Analyst  
Jonathan Ball, Technology Analyst  
Todd Wardrop, Fiscal Analyst  
Bonnie Brinton, Committee Secretary

Public Speakers Present: Stephen Fletcher, Executive Director, Department of Technology Service  
Dennis Gorham, Director, Automated Geographic Reference Center  
Mont Evans, Lobbyist  
Scott Duncan, Commissioner, Department of Public Safety  
Bill Bates, IT Director, Department of Public Safety  
Rod Marelli, Executive Director, Utah State Tax Commission  
Palmer DePaulis, Executive Director, Department of Community & Culture  
Ally Isom, Deputy Director, Department of Community & Culture  
Patricia Smith-Mansfield, Director, Division of State Archives  
Dan Mueller, Project Manager, eRep Project  
Greg Gardner, eRep Project  
Michael Hales, Medicaid Management Information System, Division of Health Care Financing  
Kent Barnes, Commerce Digitization Project  
David Hart, Executive Director, Capitol Preservation Board

A list of visitors and a copy of handouts are filed with the Subcommittee minutes.

Co-Chair Buxton called the meeting to order at 2:10 p.m.

## **2. Department of Technology Services (DTS)**

### **Appropriated Budget**

Analyst Jonathon Ball gave an overview of the information which will be presented in the meeting today. He reported that the base budget for FY 2008 for the Department is \$157,784,000.

### **Internal Service Fund**

#### **Enterprise Technology**

Mr. Ball explained the proposed fees for the services of DTS in FY 2008. The Legislature, through the CFGO Subcommittee must approve these rates in an appropriations act before DTS can charge them to customer agencies. The net impact of these rate changes, including the impact of FY 2007 interim rates established by DTS in accordance with its enabling legislation, is \$103,000 in savings to the General Fund and Education Fund. The total FY 2007 Supplemental/FY 2008 rate impact is \$556,942.

The Analyst referred to a schedule detailing rate changes implemented by DTS as interim rates during its transition under HB 109, 2005 General Session. The impact of these rates occurs in FY 2007 and future years, including FY 2008. The total savings of \$1,931,995 partially offsets the costs associated with proposed rate changes for FY 2008.

Mr. Ball referred to the Enterprise Technology Division item on the schedule which detailed the Wide Area Network (WAN) Access rate increase of \$836,424. This increase is due to increased security in DTS. Savings were realized in this Division in the following areas: Open Systems Storage, Disk Storage - Mainframe, Backup & Restore Services and Open Systems Storage High Availability. These figures are statewide savings, and the money is moved from agency to agency. There is a \$1,300,000 savings from all funding sources in existing agency budgets.

The Analyst recommends the Legislature approve the FY 2008 DTS internal service fund (ISF) rates as discussed.

**MOTION:** Co-Chair Jenkins moved to approve the Analyst's recommendation regarding the FY 2008 DTS ISF rates as discussed. The motion passed unanimously with Sen. Dmitrich and Reps. Snow and Walker absent for the vote.

### **Agency Services**

Mr. Ball explained the fees proposed for the services of the DTS-Agency Services Division in FY 2008. The net impact of these rate changes is \$1,632,000 in additional costs to the General Fund and Education Fund. These increased costs would cover a 3.5% Cost of Living Adjustment and 2.5% discretionary salary increase, as well as increased costs for benefits, as proposed by the Governor for FY 2008. If funding for the compensation package is not approved by the Legislature, DTS would decrease these rates accordingly.

The Analyst recommends the Legislature approve the FY 2008 DTS Agency Service rates with a total of \$3,643,700, as discussed.

**MOTION:** Co-Chair Jenkins moved to approve the Analyst's recommendation for the FY 2008 DTS Agency Service rates with a total of \$3,643,700. The motion passed unanimously with Sen. Dmitrich and Reps. Snow and Walker absent for the vote.

Continuing the discussion, Mr. Ball stated that under the Budgetary Procedures Act, the Legislature must authorize ISF to acquire capital. This "Capital Outlay Authority," in combination with rate setting and employment caps, is how legislators control the size and growth of ISFs.

The Analyst recommends the Legislature approve capital outlay of \$9,307,600 for the Agency Services Division in FY 2008, \$10,000,000 for the Enterprise Technology Division in FY 2008 and intent language which grants DTS authority to carry-forward \$996,000 in capital outlay authority for FY 2007.

Stephen Fletcher, Executive Director, Department of Technology Services, stated that the funding recommended by the Analyst is for the basic necessities to maintain services and operations of the Department. He also responded to questions from Subcommittee members.

**MOTION:** Rep. Wheeler moved to accept the Analyst's recommended capital outlay of \$9,307,600 for the Agency Services Division in FY 2008, \$10,000,000 for the Enterprise Technology Division in FY 2008 and the following intent language:

*The Legislature intends that, under the terms and conditions of Utah Code*

*Annotated 63-38-8.2, \$996,000 in capital outlay authority granted to the Department of Technology Services for Fiscal Year 2007 shall not lapse. The Legislature intends that this authority will be used for the following projects: Network Convergence (\$425,000), Data Archiving (\$345,000), Information Life Cycle (\$226,000).*

### **Integrated Technology - Automated Geographic Reference Center (AGRC)**

Regarding data storage costs, Mr. Ball explained that AGRC administers the State Geographic Information Database for the use of all state agencies. In the past, AGRC has used in-house storage devices to contain the Utah's State Geographic Information Database (SGID) and related data. In a statewide effort to ensure business continuity and disaster recovery, AGRC will begin using storage offered by the Enterprise Technology Division (ETD), including ETD's back-up site in Richfield, UT. To offset the additional cost of this effort, AGRC is requesting \$60,000 in FY 2007 and \$90,000 in FY 2008.

Further, the Analyst stated that at the same time, AGRC is helping local governments and private telecommunications providers map and track 9-1-1 emergency service telephone calls. To do so, AGRC is to receive 1 cent per month per phone line by law. AGRC currently receives an appropriation of \$250,000 from the e911 Emergency Services fund--the fund into which the 1 cent surcharge is deposited. AGRC estimates it spends \$300,000 per year on e911 activities, whereby subsidizing the activities with its base budget. In FY 2006, the 1 cent surcharge generated \$286,600.

Anticipating further growth in the fund, the Analyst recommends the Legislature appropriate an additional \$40,000 in FY 2007 and \$300,000 total in FY 2008 from the e911 fund to AGRC to cover all of AGRC's costs. Doing so would free up \$50,000 ongoing General Fund already in AGRC's base budget. AGRC could then use those proceeds to cover a majority of its additional storage costs.

**MOTION:** Co-Chair Jenkins moved to approve the Analyst's recommendation that the Legislature appropriate an additional \$40,000 in FY 2007 and \$300,000 total in FY 2008 from the e911 fund to AGRC to cover all of AGRC's costs. The motion passed unanimously with Sen. Peterson and Rep. Snow absent for the vote.

Dennis Gorham, Director, Automated Geographic Reference Center, responded to questions from Subcommittee members.

Mr. Ball explained that as AGRC's contract workload is growing, it has requested additional

dedicated credits in FY 2007. The Analyst recommends the CFGO Subcommittee approve \$1.5 million in new dedicated credits authority for AGRC in FY 2007. The Analyst further recommends the following intent language for an FY 2007 supplemental bill making the funds nonlapsing.

**MOTION:** Rep. Bowman moved to approve the Analyst's recommendation for \$1.5 million in new dedicated credits authority for AGRC in FY 2007 and intent language for an FY 2007 supplemental bill as follows:

*The Legislature intends that funds provided for the Department of Technology Services - Integrated Technology Division - Automated Geographic Reference Center in Item 51 of State Agency and Higher Education Base Budget Appropriations (S.B. 1, 2006 General Session), Item 49 of New Fiscal Year Supplemental Appropriations Act (S.B. 4, 2006 General Session), and Item 34 of State Agency and Higher Education Compensation Amendments (H.B. 4, 2006 General Session) shall not lapse.*

The motion passed unanimously with Sen. Peterson and Rep. Snow absent for the vote.

Mr. Gorham discussed the Utah Reference Network Global Positioning System (TURN GPS), distributed a handout and responded to questions. He stated that the goal of TURN GPS is to provide statewide coverage for high accuracy GPS survey and mapping to improve the quality of geographic information system data and the productivity, efficiency, and cost-effectiveness of government services. This network would strategically locate GPS Reference Stations ranging from 20-50 kilometers in spacing utilizing existing facilities and existing base stations where feasible.

The Analyst explained the funding need of \$700,000 one-time appropriation for hardware, software, construction materials, and labor to implement, expand, and complete the network; and \$300,000 per year starting in FY 2010 for maintenance.

Mont Evans, Lobbyist, spoke in support of this funding.

**MOTION:** Rep. S. Clark moved to place on the Subcommittee's priority list \$300,000 ongoing funding starting in FY 2008 for maintenance of TURN GPS. The motion passed unanimously with Sen. Peterson and Rep. Snow absent for the vote.

**MOTION:** Rep. Bowman moved to approve the minutes of the meeting held January 18, 2007. The motion passed unanimously with Sen. Peterson and Rep. Snow absent for the vote.

### **3. Technology Acquisition Projects**

#### **a. Statewide Interoperable Emergency Communication System**

Mr. Ball stated that Omnilink is a technology asset that allows various communications devices, like cellular phones, land lines, 800 MHz, 450 MHz, and 150 MHz radios connect to one another.

Commissioner Scott Duncan, Department of Public Safety, presented background information regarding this System and distributed a handout. He was assisted by Bill Bates, IT Director. Mr. Duncan stated that DTS is requesting an appropriation of \$650,000 from the General Fund for annual maintenance of the Omnilink system. He stated that the critical issue in this request is to enable emergency communications agencies with incompatible communications systems to communicate. The handout included a letter supporting this funding request from Lincoln Shurtz, Legislative Affairs, Utah League of Cities and Towns.

**MOTION:** Rep. Fisher moved to approve the project and place the request of the Interoperable Emergency Communications System of \$650,000 from the General Fund for annual maintenance of the Omnilink system on the priority list of the CFGO Subcommittee for prioritization. The motion passed unanimously with Sen. Dmitrich absent for the vote.

#### **b. Arches Revenue Gateway**

The Analyst stated that the Tax Commission successfully upgraded its Delinquent Collections and Motor Vehicle systems under the UTAX project, and most recently it has updated the State's income tax processes under what it calls Arches. Legislators provided \$7 million from the General Fund and \$5 million from Tax non-lapsing balances for Arches during the 2006 General Session. This money funded core functionality plus the income tax code set. Tax has requested \$10 million one-time for the next two phases of Arches in FY 2008. Mr. Ball recommends \$5 million one-time for phase 2 of Arches--most likely to be sales tax.

Rod Marelli, Executive Director, Utah State Tax Commission, explained that the Arches Revenue gateway is a joint effort of the Utah State Tax Commission (USTC) and DTS to migrate USTC from its various current tax administration systems to an integrated system employing up-to-date technology. He responded to questions from Subcommittee members.

**MOTION:** Rep. S. Clark moved to approve the project and refer the request of \$5,000,000 one-time for phase 2 of Arches to the Economic Development and Revenue Appropriations Subcommittee for prioritization. The motion passed unanimously with Sen. Dmitrich and Rep. Wheeler absent for the vote.

**c. Department of Community and Culture Digitization (DCC)**

The Analyst explained that the Department of Community and Culture has a rather large collection which need to be digitized.

Palmer DePaulis, Executive Director, and Ally Isom, Deputy Director, Department of Community & Culture, presented an overview of the Digitization Initiative Business Case and distributed a handout. Ms. Isom stated that there are three areas critical to DCC's mission and digital business functions. They are: 1) Collections; 2) Database design and functionality; and 3) Grants management. The request is for \$500,000 in ongoing funds and \$1,300,000 in one-time funds.

Patricia Smith-Mansfield, Director, Division of State Archives, stated that Archives is coordinating with DCC; and, if DCC receives the funding they are requesting, Archives will be connected with them, as will other similar programs in the State and in surrounding states. Ms. Smith-Mansfield responded to questions.

**MOTION:** Co-Chair Jenkins moved to approve the project and refer the request of \$500,000 in ongoing funds and \$1,300,000 in one-time funds to the Economic Development and Revenue Appropriations Subcommittee for prioritization. The motion passed unanimously with Sen. Dmitrich and Rep. Snow absent for the vote.

**d. Electronic Resource Eligibility Product (eRep)**

Mr. Ball explained that the Departments of Workforce Services, Health, and Human Services have undertaken the eRep - a multiple-year project to automate management of certain social service programs. During the 2006 General Session, legislators provided \$4,085,000 from the General Fund, one-time, to add a Medicaid eligibility module to eRep. In the last year, eRep managers have discovered that implementation of the Medicaid module will require acquisition of additional functionality from the eRep contractor.

Don Mueller, Project Manager, eRep Project, presented a power point printout containing information regarding the eRep project. He was assisted by Greg Gardner. He reported that DWS and Health are requesting \$3,244,000 in one-time General Funds in FY 2008 to finish

eRep.

Rep. Wheeler commended eRep management for their efforts to complete this project.

**MOTION:** Co-Chair Jenkins moved to approve the project and refer the request of \$3,244,000 in one-time General Funds to the Commerce and Workforce Services Appropriations Subcommittee for prioritization. The motion passed unanimously with Sen. Dmitrich and Rep. Wheeler absent for the vote.

**e. Medicaid Management Information System (MMIS)**

The Analyst stated that this project could cost more than \$60 million to complete, with roughly 10% of that amount coming from the General Fund. The Department has requested \$1 million in restricted state funds augmented by \$1 million in federal funds in FY 2008 to begin a needs analysis and scoping document for the future multi-year project.

Michael Hales, Division of Health Care Financing, presented background information on the System. He stated that the current MMIS system was originally programmed and put into use in 1983. Clients and expenditures have increased many times since, making the current system outdated and inefficient. The current system was designed for paper claims not for electronic data interfaces. Mr. Hales responded to questions. Subcommittee members felt they did not have enough information to act on this request.

**MOTION:** Rep. S. Clark moved to consider the next agenda item. The motion passed unanimously with Sen. Dmitrich and Rep. Snow absent for the vote.

**f. Commerce Digitization Project**

Mr. Ball stated that in ongoing efforts to improve access to and preserve critical documents, the Department of Commerce is seeking funds to digitize Division of Occupational and Professional Licensing (DOPL) disciplinary case files.

Kent Barnes, presenting for Diana Baker who was not able to attend, stated that Commerce has requested \$120,200 from the Commerce Service Fund for this digitizing project.

Mr. Fletcher stated that there are 60 projects on digitization in the State of Utah at the present time.

**MOTION:** Co-Chair Jenkins moved to approve the project and refer the request of



\$120,200 of the Commerce Service Fund to the Commerce and Workforce Services Appropriations Subcommittee for prioritization. The motion passed unanimously with Sen. Dmitrich and Reps. Snow and Wheeler absent for the vote.

Executive Director Fletcher referred to five requests not included in this presentation that DTS will be making in other Subcommittee meetings.

#### **4. Capitol Preservation Board (CPB)**

Todd Wardrop, Fiscal Analyst, summarized the functions of the CPB. He explained the need for a Public Information Officer (PIO) and the necessary funding. Currently the PIO is paid from the restoration project funds. Once the project is complete, the PIO's current duties will be expanded to also include oversight of the new visitor services program, including the Capitol gift store, volunteer docents, develop curriculum for the architecture and exhibits, and host new quarterly events on Capitol Hill.

Further, the Analyst explained that as part of the Capitol reopening, several gala events have been planned for the general public. Regarding wireless communications in the Capitol, Mr. Wardrop stated that the 2006 Legislature appropriated \$590,000 of the \$1,340,000 cost for a distributed antenna system for the Capitol.

David Hart, Executive Director, Capitol Preservation Board, presented additional information and an interesting and informative power point and movie for Subcommittee members. He stated that the dedication of the Capitol will be on January 4, 2008.

**MOTION:** Rep. S. Clark moved to approve the Analyst's recommendation of a total FY 2008 base appropriation of \$2,864,300, with \$2,484,600 from the General Fund to prioritize; an ongoing appropriation of \$99,500 for the Public Information Officer; a one-time appropriation of \$240,000 for visitor services development, plus \$100,000 appropriated from dedicated credits (gift shop profits) for administrative costs; a one-time appropriation of \$250,000 for Capitol reopening public events; a one-time appropriation of \$750,000 to complete the wireless communication system; Nine new gift shop employees are being requested, equating to 5.5 FTE, with two receiving benefits for a total of \$211,400; and the following intent language:

*Under terms of UCA 63-38-8.1(3), the Legislature intends not to lapse Item 32, Chapter 1, or Item 34, Chapter 366, Laws of Utah 2006. Expenditure of these funds is limited to: Design, construction or one-time administration costs associated with the Capitol restoration - \$75,000.*

The motion passed unanimously with Sen. Dmitrich and Reps. Hunsaker and Snow absent for the vote.

Mr. Hart also requested some construction money that is already on the list for prioritization.

Co-Chair Jenkins declared a conflict of interest.

**MOTION:** Rep. Bowman moved to adjourn.

The meeting was adjourned at 5:35 p.m. by Co-Chair Buxton.

The minutes were reported by Bonnie Brinton.

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Sen. Scott K. Jenkins  
Committee Co-Chair

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Rep. David G. Buxton  
Committee Co-Chair